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Next 2 Page(s) In Document Denied

26 September 1986

MEMORANDUM FOR: DCI  
FROM: Dave Gries  
SUBJECT: Weekly Report

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The Continuing Resolution (CR) passed the House last night by one vote. There is no change from the language contained in the House Appropriation Defense Subcommittee's report. ~~Staff contacts have already begun with the Defense Subcommittee in the Senate, but no formal conference can convene until the Senate passes its version of the CR. Staff betting is that a short-term CR will have to be issued, but they expect a final CR to be passed by 10 October. Most staff now think no lame duck session is in the cards.~~

Regarding the authorization bills, staffs on both the House and Senate sides are polling their Members regarding various staff proposals. HPSCI expects the final cut will be ready by Monday and that the close agreement between the two committees will preclude the need for a formal conference. HPSCI expects the final report will be filed by mid-week. As you know, you signed a views letter to Durenberger and Hamilton on Friday.

The home-to-work transportation legislation remains open. Our hold on the legislation remains effective for the time being, as do the holds put on by other agencies. Further, our concerns have been addressed by Section 8 language contained in the current version of the legislation. That current version does not, however, protect other agencies, and we have quietly made them aware of it. The White House continues to push as do various Congressional supporters. It is thus possible that it will be put on the CR, other holds notwithstanding.

We have been working with the FBI, SSCI, HPSCI, Capitol Hill Police and the Sergeants at Arms to improve technical security in sensitive hearing areas on Capitol Hill.

STAT

The House passed the Tax Reform bill which contains a provision that repeals the 3 year recovery rule for federal annuitants. There is some effort to remedy this repeal by separate legislation, but the outlook for that is questionable.

STAT

19 September 1986

MEMORANDUM FOR: DCI  
FROM: Dave Gries   
SUBJECT: Weekly Report

STAT

The Authorization Bills and Continuing Resolution (CR):  
The House passed its version of the FY 87 intelligence authorization bill this week. It is scheduled to vote next Wednesday on the CR now being worked up in HAC, after which it will be referred to SAC for its review and a subsequent Senate vote. Meanwhile, Senate floor action on its version of the intelligence authorization bill remains in limbo pending a signal by Helms to the Senate leadership as to his intentions concerning his yet-unannounced amendments. Thus, with a House/Senate conference still not on the horizon, prospects are diminishing that Congress will agree to an intelligence authorization bill before its scheduled 3 October recess.

SSCI Reports: The SSCI is completing four reports: counterintelligence and security countermeasures; the analysis process (recently discussed with Graham Fuller); oil prices and implications; and technology transfer to China. The committee has not decided on the disposition, but wants to publish classified versions of all and unclassified versions of some. We are trying to get prepublication access to raise objections if indicated.

Moscow Embassy: Staff of the Senate Foreign Relations Committee, after inspection of the new embassy construction in Moscow, concludes that it is a fiasco both structurally and from a security standpoint. House and Senate staffs say that construction should be stopped until independent engineering and security assessments can be made. Rep. Mica, chairman of the committee that oversees embassy operations, has just written to the President on this. He wants an inter-agency committee to meet and make a decision on what to do.

Drug Legislation: Next week, four major omnibus anti-drug bills will be competing for the Senate's attention: (1) the House-passed bill; (2) the Senate Democrats' bill; (3) the Senate Republicans' bill; and (4) the Administration bill. Neither the Administration nor the House bill impacts adversely on us. The Senate Democrats' bill would cause us problems as it provides for disestablishment of the Drug Enforcement Policy Board and creation of a "drug czar." However, the primary vehicle for Senate consideration of the issue is likely to be the Senate Republicans' bill, which we understand will not include the objectionable provisions.

DoD Transfers: Certain monies authorized in the Senate DoD authorization bill for anti-drug intelligence efforts by DoD were actually intended for subsequent transfer to us. They may become sidetracked if there is no conference on the DoD authorization bill. We're working with the Comptroller and other components to insure that another legislative vehicle is found if this happens.

cc: DDO  
DDI  
DDS&T  
DDA

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## Senate Endorses Helms Measure Directing C.I.A.

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Sept. 25—The Senate passed secret legislation Wednesday that legislators and Administration officials say undercuts the authority of the Central Intelligence Agency to manage its own affairs.

Senator Jesse Helms, the conservative Republican from North Carolina, proposed the new requirements as part of an amendment to the annual bill establishing and extending program and setting spending limits on the C.I.A. and other intelligence agencies. He said they would give direction to an agency that had become a "boze cannon."

### Details Are Classified

The maneuvering this week over the amendments, which will now go to a secret conference committee to work out differences between the Senate and House versions, prompted a confrontation between Senator Helms and William J. Casey, the Director of Central Intelligence.

The Senate passed one amendment on a voice vote; its details, as well as nearly all the other provisions affecting the intelligence agencies, were contained in a classified appendix available only to senators. Another Helms amendment, demanding that the C.I.A. look into allegations of human rights violations and drug dealing by the Government of Panama, passed by a vote of 53 to 47.

Senator Helms said the votes re-

Continued on Page A22, Column 1